

Safety Defect and Noncompliance Report Guide for Vehicles
PART 573 Defect and Noncompliance Responsibility and Reports¹

On May 17th, 2011, Zhejiang Kangdi Vehicles Co.,Ltd. [MFR] decided that a defect which relates to motor vehicle safety exists in the motor vehicles listed below, and is furnishing notification to the National Highway Traffic Safety Administration in accordance with 49 CFR Part 573 Defect and Noncompliance Responsibility and Reports.

Date this report was prepared: _____

Furnish the manufacturer's identification code for this recall (if applicable): LA9/ZKD

1. Identify the full corporate name of the fabricating manufacturer of the vehicle being recalled. If the recalled vehicle is imported, provide the name and mailing address of the designated agent as prescribed by 49 U.S.C. §30164.

Kandi USA Inc 10955 Arrow Route Suite 101, Rancho Cucamonga, Ca 91730

Identify the corporate official, by name and title, whom the agency should contact with respect to this recall.

Nicole Aguilar, Compliance Manager

Telephone Number: 9099414588 Fax No.: 9099414788

Name and Title of Person who prepared this report.

Robert Chaldekas

Sales Manager

Signed:

¹ Each manufacturer must furnish a report, to the Associate Administrator for Enforcement, for each defect or noncompliance condition which relates to motor vehicle safety.

I. Identify the Vehicle Models Involved in the Recall

2. Identify the Vehicles Involved in the Recall, for each make and model or applicable vehicle line (provide illustrations or photographs as necessary to describe the vehicle), provide:

Make(s): Kandi Coco **Model Years Involved:** 2008,2009,2010, **Model(s):** KDO8E,

Production Dates: Beginning: 10-1-2007 **Ending:** 5-1-2011

VIN Range: Beginning: _____ **Ending:** _____

Vehicle Type: KD08 E **Bodystyle:** Convertible

Descriptive information which characterizes/distinguishes the recalled vehicles from those model vehicles not included in the recall:

All vehicles were manufactured without rear side reflectors

Make(s): Kandi Coco **Model Years Involved:** 2010 **Model(s):** KD18E

Production Dates: Beginning: 3-3-10 **Ending:** Present

VIN Range: Beginning: _____ **Ending:** _____

Vehicle Type: KD18E **Bodystyle:** Coupe

Descriptive information which characterizes/distinguishes the recalled vehicles from those model vehicles not included in the recall:

All vehicles were manufactured with out rear side reflectors

Make(s): _____ **Model Years Involved:** _____ **Model(s):** _____

Production Dates: Beginning: _____ **Ending:** _____

VIN Range: Beginning: _____ **Ending:** _____

Vehicle Type: _____ **Bodystyle:** _____

Descriptive information which characterizes/distinguishes the recalled vehicles from those model vehicles not included in the recall:

Identify the approximate percentage of the production of all the recalled models manufactured by your company between the inclusive dates of manufacture provided above, that the recalled model population represents. For example, if the recall involved Vehicles equipped with certain items of equipment from January 1, 1996 through April 1, 1997, then what was the percentage of the recalled Vehicles of all Vehicles manufactured during that time period.

II. Identify the Recall Population

3. Furnish the total number of vehicles recalled potentially containing the defect or noncompliance.

Model	Year	Number of Vehicles Potentially Involved
KDO8E	2008	110
KDO8E	2009	400
KDO8E/KD18E	2010	85
		595

Total Number Potentially Affected by the Recall: 595

Total Number Potentially Affected by the Recall: 595

4. Furnish the approximate percentage of the total number of vehicles estimated to actually contain the defect or noncompliance: 100%

Identify and describe how the recall population was determined--in particular how the recalled models were selected and the basis for the beginning and final dates of manufacture of the recalled vehicles:

We identified all the vehicles shipped into the United States. We then determined which vehicle
Models were sent thru the dealership distribution channel.

100%

III. Describe the Defect or Noncompliance

5. Describe the defect or noncompliance. The description should address the nature and physical location of the defect or noncompliance. Illustrations should be provided as appropriate.

There were no red rear reflectors added to the vehicles on each side as far to rear as possible.

Describe the cause(s) of the defect or noncompliance condition.

It was an oversight by the factory, which is still adapting to the
stricter standards imposed by the laws in the United States

Describe the consequence(s) of the defect or noncompliance condition.

The vehicle has wrap around tail lights. Reflectors increase visibility when tail and running lights
are not illuminated

Identify any warning which can (a) precede or (b) occur.

If the defect or noncompliance is in a component or assembly purchased from a supplier, identify the supplier by corporate name and address.

Zhejiang Ruifei Traffic Equipment Co., Ltd.

No. 1 Tengchang Road, Huzhen Industrial New Zone, Longyou

Zhejiang, China, 324401

Identify the name and title of the chief executive officer or knowledgeable representative of the supplier:

IV. Provide the Chronology in Determining the Defect/Noncompliance

If the recall is for a defect, complete item 6, otherwise item 7.

6. With respect to a defect, furnish a chronological summary (including dates) of all the principle events that were the basis for the determination of the defect. The summary should include, but not be limited to, the number of reports, accidents, injuries, fatalities, and warranty claims.

7. With respect to a noncompliance, identify and provide the test results or other data (in chronological order and including dates) on which the noncompliance was determined.

On May 10, 2011 a OVSC observed that a Kandi CoCo KDO8E had missing reflectors.

On May 13, 2011 a letter was sent out to Zhejiang Kangdi Vehicles Co. Ltd. Since that time we have been studying how it happened. How many vehicles are involved and where they are now currently located.

V. Identify the Remedy

8. A description of the manufacturer's program for remedying the defect or noncompliance. This program shall include a plan for reimbursing an owner or purchaser who incurred costs to obtain a remedy for the problem addressed by the recall within a reasonable time in advance of the manufacturer's notification of owners, purchasers and dealers, in accordance with §573.13 of this part. A manufacturer's plan may incorporate by reference a general reimbursement plan it previously submitted to NHTSA, together with information specific to the individual recall. Information required by §573.13 that is not in a general reimbursement plan shall be submitted in the manufacturer's report to NHTSA under this section. If a manufacturer submits one or more general reimbursement plans, the manufacturer shall update each plan every two years, in accordance with §573.13. The manufacturer's remedy program and reimbursement plans will be available for inspection by the public at NHTSA headquarters.

We will send the dealers the parts to be attached to all vehicles in inventory with a list of the VIN's so they know each vehicle they need to apply the reflectors to. We will send their customers a service advisory and advise them to go to their dealer and have the reflectors applied. As this is a non-compliance to the standard, it is a recall and not a service advisory. NHTSA will issue a recall number to the case

We will repair all vehicles still in our possession

Elwa LV Administrator

9. Furnish a description of the manufacturer's remedy for the defect or noncompliance. Clearly describe the differences between the recall condition and the remedy.

We have ordered enough reflectors to address the missing reflectors on all of the vehicles shipped into this country. We have also identified where all those vehicles were sold. We are currently engaged in making sure the VIN we have on file matches what our customer received.

We will then send parts, a description of the remedy, and instructions on how to mount the reflector
To all of our dealers

Clearly describe the distinguishing characteristics of the remedy component/assembly versus the recalled component/assembly.

We will install reflector to meet Reflex Reflector specifications is SAE J594 and to comply with
FMVSS #108

Identify and describe how and when the recall condition was corrected in production. If the production remedy was identical to the recall remedy in the field, so state. If the product was discontinued, so state.

The factory will do the same installation in production that we do here in the U.S.

VI. Identify the Recall Schedule

10. Furnish a schedule or agenda (with specific dates) for notification to other manufacturers, dealers/retailers, and purchasers. Please, identify any foreseeable problems with implementing the recall.

We expect to receive parts in by the July 15th.2011 We will get the recall notice out to our dealers and
customers By July 8th, 2011

VII. Furnish Recall Communications

11. Furnish a final copy of all notices, bulletins, and other communications that relate directly to the defect or noncompliance and which are sent to more than one manufacturer, distributor, or purchaser. This includes all communications (including both original and follow-up) concerning this recall from the time your company determines the defect or noncompliance condition on, not just the initial notification. *A DRAFT copy of the notification documents should be submitted to this office by Fax (202-366-7882) or by E-Mail to RMD.ODI@dot.gov for review prior to mailing.*

Note that these documents are to be submitted separately from those provided in accordance with Part 579.5 requirements.